

County of Jefferson, Wisconsin



Request For Proposal Auditing Services

June 2014

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1. BACKGROUND

Jefferson County is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending December 31, 2014, 2015, 2016 with two (2) optional subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards*, the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* as well as the following additional requirements:

- A. Wisconsin Single Audit Guidelines as published by the Wisconsin Department of Administration,
- B. All other related applicable Wisconsin state statutes.

2. CONTRACT TERM

Initial term of contract will be for three (3) years with the option of two (2) additional one (1) year renewals, subject to the annual review and recommendation of the Administrator and Finance Department, the satisfactory negotiation of terms (including a price acceptable to both Jefferson County and the selected firm), the concurrence of the Jefferson County Board of Supervisors and the annual availability of an appropriation.

3. TENTATIVE PROJECT TIMELINE

Please Note: These dates are for planning purposes. They represent the County's desired timeline for implementing this project. Any revision to the Due Date for submission of proposals will be made by addendum. All other dates may be adjusted without notice, as needs and circumstances dictate.

Issuance of RFP	June 2014
Proposal Responses Due from Vendors	August 8, 2014 by 3 PM CST
Review Proposal Selections with Finance Committee	August 14, 2014
Award of Contract Pending County Board Approval	September 10, 2014
Send out Intent to Award/Thank you Letters	September 12, 2014
Contract Start Date	October 1, 2014

4. RFP QUESTIONS

All questions related to this RFP must be in writing and received by the Jefferson Finance Department no later than **4:00 p.m. CST, July 30, 2014** via e-mail to brianl@jeffersoncountywi.gov. Clearly mark the e-mail: "Questions for RFP-Auditing Services".

Mailed, phone call and faxed questions will not be accepted.

Answers to all written questions will be published in the form of an addendum and posted on the Jefferson County website at: (<http://www.jeffersoncountywi.gov>). It is the responsibility of all interested vendors to access the web site for this information. Calls for assistance with the web site can be made to (920) 674-7142.

5. PROPOSAL DUE DATE AND DELIVERY ADDRESS DETAILS

All proposals are due to Jefferson County Finance Department no later than 3 PM CST, August 8, 2014.

Proposals shall be submitted in a sealed envelope marked "RFP Auditing Services".

NOTE: Proposals mailed must be stamped in by the specified due date/time when received in the Finance Department Office.

Delivery Address for Hand Delivery, UPS, DHL, Fed X, etc.:

Jefferson County Finance Department

RFP Auditing Services

311 S. Center Ave-Room 109

Jefferson, WI 53549

6. PROPOSAL FORMAT

All proposals must be typed on standard 8 ½" x 11" paper (larger paper is permissible for charts, spreadsheets, etc.) separating each section. Provide **5 paper copies and an Electronic Copy** of your proposal.

Proposals should be prepared in a simple, cost effective format providing a straightforward, concise description of the vendor's capabilities to satisfy the requirements of the RFP. The use of elaborate materials and the inclusion of additional information that has no direct bearing on the project are not desired. Emphasis should be concentrated on accuracy, completeness, and clarity of content. All parts, pages, figures, and tables should be numbered and clearly labeled. Instructions relative to each part of the response to this RFP are defined in the remainder of this section.

7. PROPOSAL SUBMISSION REQUIREMENTS

Any deviation from these requirements may result in the proposal being considered non-responsive, and could eliminate the vendor from further consideration. The proposal shall be prepared with a straight forward, concise delineation of the vendor's capabilities to satisfy the requirements of this RFP including the following items outlined (A – E) below:

A. RFP Questions (See Attachment B):

Include responses to the questions provided in this attachment in your proposal to be considered for this service.

B. Proposal Rate Sheet (See Attachment D):

Provide attachment listing your rates with your proposal.

C. Proposal Reference Data Sheet (See Attachment E):

Provide attachment listing three to five references with your proposal.

D. Proposal Designation of Confidential and Proprietary Information (See Attachment F):

If any part of your proposal includes proprietary and confidential information which qualifies as a trade secret, as provided in s. 19.36(5) Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law, please designate on the attachment and provide with your proposal. *Prices always become public information when bids/proposals are opened, and therefore cannot be kept confidential.*

E. RFP Addendum Acknowledgement Receipt Schedule (See Attachment G):

If Addendums exist for this project, please sign and date the attachment and provide it with your proposal.

8. FINANCIAL VERIFICATION

Vendor verification prior to award: Vendor's financial solvency may be verified through financial background checks via Dun & Bradstreet or other means (i.e.; Wisconsin Circuit Court Access, UCC) prior to contract award. Jefferson County reserves the right to reject proposals based on information obtained through these background checks if it's deemed to be in the best interest of the County.

9. OTHER

All work shall conform to all applicable industry, federal, state and local laws, codes, ordinances, and standards.

The County prohibits communication initiated by the respondent to any County official, representative from another entity or employee evaluating or considering the proposals, prior to the time a decision has been made.

Interested vendors must inform the County Administrator, prior to proposal submission deadline, if they have any pre-existing business relationship(s) with the County related to this project that may conflict with a potential contract award.

Rejection of Proposals: Jefferson County reserves the right to accept or reject any or all proposals and to waive any informality in proposals. No vendor will be provided with financial and/or competitive vendor information on this proposal until after the award of contract has been made. To the extent possible, it is the intention of Jefferson County to withhold the contents of the proposal from public view until such times as competitive or bargaining reasons no longer require non-disclosure, in the opinion of Jefferson County. At that time, all proposals will be available for review in accordance with the Wisconsin Open Records Law. Jefferson County shall not be held liable for any claims arising from disclosure it determines is required under the Wisconsin Open Records Law.

Taxes: Jefferson County and its departments are exempt from payment of all federal tax and Wisconsin state and local taxes on its purchases except Wisconsin excise taxes.

This contract shall be subject to the laws of the State of Wisconsin. In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Stats., sexual orientation as defined in s.111.32(13m), WI Stats, or national origin.

Jefferson County is an Equal Opportunity Employer.

By responding to this proposal, prospective vendors acknowledge and accept the attachments, including the insurance requirements and standard contract template.

Attachment A

(Potential vendors are expected to perform the following service in order to submit a proposal and to be awarded a contract.)

Defining Scope of Work

Jefferson County RFP for Auditing Services

1. NATURE OF SERVICES REQUIRED

A. Scope of Work To Be Performed:

Jefferson County desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The auditors will be required to express an opinion on the financial statements based on an audit. The auditor is required to audit the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison information of Jefferson County. The report shall be issued in accordance with Government Auditing Standards, to include internal control over financial reporting and tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

The auditor is not required to audit the introductory section of the report or the statistical section of the report. The auditor is not required to audit the management's discussion and analysis, however should apply certain limited procedures regarding the methods of measurement and presentation of the required supplementary information.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor shall be required to issue an independent auditor's report on compliance with requirements applicable to each major program and on internal control over compliance Schedules of Expenditures of Federal and State Awards in accordance with OMB Circular A-133.

B. Auditing Standards To Be Followed:

To meet the requirements of this request for proposals, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America & the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments and the State Single Audit Guidelines issued by the Wisconsin Department of Administration.

C. Reports to be issued:

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
3. A report on Federal and State Financial Awards which includes compliance and internal control over compliance applicable to each major program. Upon completion of the reports the auditor will complete the Data Collection Form and submit to the County.

In the required reports on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report to Jefferson County's Finance Director or County Administrator of all irregularities and illegal acts or indications of illegal acts of which they become aware.

Reporting to the Finance Committee. Auditors shall assure themselves that Jefferson County's Finance Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

D. Special Considerations:

1. Jefferson County will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to Jefferson County to meet the requirements of that program.

2. Jefferson County currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
3. Jefferson County has determined that the United States Department of Health and Human Services will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
4. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the comprehensive annual financial report, but are to be issued separately.
5. A list of findings and other weaknesses from Jefferson County's most recent financial statement audit is included in Attachment I.
6. It is anticipated that the auditor will be required to provide assistance to Jefferson County to comply with new GASB pronouncements.

E. Working Paper Retention and Access to Working Papers:

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years from final payment, unless the firm is notified in writing by Jefferson County of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. Jefferson County
2. State of Wisconsin Department of Health and Human Services
3. U.S. General Accounting Office (GAO)
4. Parties designated by the federal or state governments or by Jefferson County as part of an audit quality review process
5. Auditors of entities of which Jefferson County is a sub recipient of grant funds

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

2. JEFFERSON COUNTY GOVERNMENT DESCRIPTION

A. Primary Contact:

After the contract is awarded, the auditor's principal contact with Jefferson County will be the Finance Director, or a designated representative, who will coordinate the assistance to be provided by Jefferson County to the auditor. Names of contacts and telephone numbers will be provided to the successful audit firm.

B. Background Information:

Jefferson County serves an area of 576 square miles with a population of 83,940 per 2013 estimated census. Jefferson County's fiscal year begins on January 1 and ends on December 31.

Jefferson County provides the following services to its citizens:

Public safety, health and human services, conservation and development, education and recreation, highways, support for the State's judicial system, and general administrative services.

Jefferson County employs over 500 full and part-time employees and is organized into 28 departments and agencies. The accounting and financial reporting functions of Jefferson County are a combination of both centralized and decentralized activities. Human Services, Health and Highway have their own accounting staff.

Jefferson County has offices located throughout the City of Jefferson. Travel between offices will be required during this engagement.

More detailed information on the government, finances and organizational chart can be found in the 2012 Comprehensive Annual Financial Report and the 2014 Adopted Budget on the County's intranet site at <http://www.jeffersoncountywi.gov>.

C. Fund Structure:

Jefferson County uses the following fund types and account groups in its financial reporting.

FUND TYPE	NUMBER OF FUNDS
General fund	1
Special revenue funds	2
Debt service funds	1
Capital projects funds	1
Permanent funds	0
Enterprise funds	1
Internal service funds	0
Private-purpose trust funds	0
Investment trust funds	0
Pension trust funds (& other employee benefits)	0
Agency funds	0
Component unit	0

D. Budgetary Basis of Accounting:

Jefferson County prepares its budgets on a basis consistent with generally accepted accounting principles. It is not the practice of the County to include the statutory budget of the proprietary funds in the financial statements.

E. Federal and State Awards:

Please refer to the single Audit Report for the year ended December 31, 2012 for a listing of state and federal major and non-major financial assistance programs. See Attachment J.

F. Pension Plans:

Jefferson County participates in the Wisconsin Retirement System, a cost-sharing multiple-employer public employee retirement system. This is a defined benefit retirement program.

G. Component Units:

Jefferson County is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, component units are included in Jefferson County's financial statements.

H. Magnitude of Finance Operations:

The Finance Department is headed by a Director and consists of a total of 4.7 employees.

I. Computer Systems:

Jefferson County's accounting records are maintained through the use of an automated budgeting, human resources, and accounting package (JD Edwards, which has been bought out by Oracle Systems). The annual budget, including revenues, appropriations and expenditures are recorded in the accounting records upon adoption by the County Board of Supervisors.

The Management Information Systems Department (MIS) supports the County's computer network of approximately 500 personal computers along with a mainframe (IBM I5, formerly known as the AS/400) system. Included in the on-line systems are the following primary systems:

- JD Edwards
 - Accounting
 - Payroll/Human Resources
 - Budgeting
 - Fixed Assets
- County Tax System for Real Estate/Personal Property
- State of Wisconsin KIDS System
- Sheriff/Jail Information System (CIS)
- Land Records Information System (GIS)
- Highway Accounting System (CHEMS)
- Human Services (WISACWIS and AODA)
- KRONOS Timecard System

J. Availability of Prior Audit Reports and Working Papers:

Interested proposers who wish to review prior years' audit reports can access the reports on-line at [Jefferson County » Departments » Finance » County Annual Financial Reports \(CAFR\)](#). The website address for Jefferson County is www.jeffersoncountywi.gov.

K. Schedule for the fiscal year audit:

Each of the following should be completed by the auditor no later than the dates indicated. Due to various deadlines, no extensions will be granted to the following timeline.

1. Interim Work: The auditor shall complete interim work prior or during December.
2. Detailed Audit Plan: The auditor shall provide Jefferson County by December 1 both a detailed audit plan and a list of all schedules to be prepared by Jefferson County.
3. Fieldwork: The auditor shall complete all fieldwork by May 11.

4. Draft Reports: The auditor shall provide all draft financial statement recommendations, revisions and suggestions for improvement along with any recommendations to management to be available for review by the Finance Department by June 7.
5. Entrance Conferences, Progress Reporting and Exit Conferences (A similar time schedule will be developed for audits of future fiscal years if Jefferson County exercises its option for additional audits).

At a minimum, the following conferences should be held by the dates indicated on the schedule:

- a. Entrance conference with all key finance department personnel and staff of key offices or programs prior to commencement of preliminary field work in a department. The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed by the auditor and schedules/information to be provided by the Finance Department. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor.
- b. Progress conference with Department Heads upon completion of field work in a Department. The purpose of this meeting will be to summarize the results of the preliminary review and to identify the key internal controls or other matters to be tested.
- c. Progress conference with key Finance Department personnel upon completion of preliminary field work. The purpose of this meeting will be to summarize the results of the preliminary review and to discuss schedules/information to be provided by the Finance Dept. for year-end work. Any anticipated findings should also be discussed.
- d. Entrance conference with key Finance Department personnel to commence year-end audit work prior to commencement of year-end audit work.
- e. Exit conference with department heads of key offices or programs upon completion of field work in a Department. The purpose of this meeting will be to summarize the results of the field work and to review significant findings.
- f. Exit Conference with key Finance Department personnel upon completion of field work. The purpose of this meeting will be to summarize the results of the field work and to review significant findings.

L. Date Final Report is due:

Annually, Jefferson County Finance personnel shall prepare draft financial statements, notes and all required supplementary schedules and statistical data by April 30. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Finance Director on or about May 30. A revised report, including draft auditor's reports shall be delivered to the Finance Director within one week of providing the draft report.

The Finance Department will complete their review of the draft report as expeditiously as possible. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Finance Director. It is anticipated that this process will be completed and available for final printing by Jefferson County no later than **June 15**.

The reconciliation of Form A with the Financial Statements shall be completed by the auditing firm no later than June 30.

The Federal Awards and State Financial Assistance Report and Management Communications shall be finalized and delivered to the Finance Director no later than **July 31**.

The final report, Federal Awards and State Financial Assistance Report and Management Communications should be emailed as a PDF file to the Finance Director.

3. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

- A.** Finance Department and Other Assistance: The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of Jefferson County staff.
- B.** Electronic Data Processing (EDP) Assistance: The auditor will be provided computer time and the use of Jefferson County's computer hardware and software.

The use of Jefferson County's computer hardware and software will be limited to inquiry functions only for general ledger accounts and related receipts, disbursements and payroll journals.

- C.** Statements and schedules to be prepared by the staff of Jefferson County: The staff of Jefferson County will prepare numerous internal schedules with supporting documentation for each balance sheet account in each fund prior to the arrival of the auditors. In addition, special schedules for the auditors are prepared upon their request.
- D.** Jefferson County will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines and internet access.
- E.** The auditor currently prepares and prints the CAFR and the Federal Awards and State Financial Assistant Report. (Approximately 10 CAFR Reports along with PDF files of both reports)

Attachment B

(Provide responses to the questions below when submitting proposal to be considered)

Proposal Questions

Jefferson County RFP for Auditing Services

The following details need to be provided in all submitted proposals to be considered for this service:

1. TITLE PAGE

Title page showing the request for proposals subject; the firm's name, address, phone number, fax number, website URL for your firm and any other firm or firms that you would team with, together with the name, address, phone, fax and e-mail for the person who should be contacted in regard to this RFP. If you propose to team with another firm, please provide the same information requested in this Statement for that firm;

2. TRANSMITTAL LETTER

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 2014, 2015, and 2016 and optional years 2017 and 2018.

3. FIRM QUALIFICATIONS AND EXPERIENCE

A firm resume describing the firm's experience with auditing. The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

4. PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Wisconsin. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect Jefferson County's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of Jefferson County. However, in either case, Jefferson County retains the right to approve or reject replacements. Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of Jefferson County, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

5. INDEPENDENCE

The firm should provide an affirmative statement that is independent of Jefferson County as defined by generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards*.

The firm also should provide an affirmative statement that it is independent of all of the component units of Jefferson County as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving Jefferson County or any of its agencies, component units or primary government for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

6. LICENSE TO PRACTICE IN WISCONSIN

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Wisconsin.

7. PRIOR ENGAGEMENTS WITH JEFFERSON COUNTY

List separately all engagements within the last five years, ranked on the basis of total staff hours, for Jefferson County by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

8. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

9. SPECIFIC AUDIT APPROACH

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Attachment A of this request for proposal. In developing the work plan, reference should be made to such sources of information as Jefferson County's budget and related materials, organizational charts, manuals and programs, and financial

and other management information systems. Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of Jefferson County's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance
- i. Approach to be taken in determining departmental visits

10. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from Jefferson County.

11. REPORT FORMAT

The proposal should include sample formats for required reports.

Attachment C

(This attachment is provided for your information only. There is no need to sign or mail it back.)

Proposal Scoring

Jefferson County RFP for Auditing Services

Responses to this RFP will be evaluated according to the following by a scoring team:

1. PROPOSAL EVALUATION PROCESS

The following steps will be observed in the evaluation of vendor proposals:

- a. Jefferson County will establish a proposal scoring team;
- b. The proposal scoring team will review all proposals received and score the proposals in accordance with the predefined scoring methodology;
- c. Composite scores will be developed summarizing the individual scoring efforts of each proposal scoring team member;
- d. Vendors will be ranked by composite score
- e. In order for proposals to be evaluated the following items are mandatory:
 - The audit firm is independent and licensed to practice in Wisconsin.
 - The firm has no conflict of interest with regard to any other work performed by the firm for Jefferson County.
 - The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
 - The firm submits a copy of its last external quality control review report and management letter and the firm has a record of quality audit work.
- f. Any proposal whose price is over-budget may not be scored or considered.

2. PROPOSAL SCORING METHODOLOGY

The following is a summary of the proposal evaluation factors and the point value assigned to each. These factors will be used in the evaluation of the individual vendor proposals. Points will be awarded on the basis of the following factors:

Specifications	Points
1. Proposal Thoroughness and Mandatory Requirements	5
2. Expertise and Experience (possible reference checks)	25
3. Audit Approach	25
4. Other	5
5. Pricing	40
Total	100

3. EVALUATION FACTORS

The evaluation factors to be used in proposal scoring are described below:

- a. Proposal Thoroughness: Proposals will be evaluated on how well the proposal is laid out in accordance with the RFP Requirements.
- b. Expertise and Experience: The firm's past experience and performance on comparable government engagements, the quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available

for technical consultation, experience with Wisconsin Counties, and experience with Single Audit.

- c. Audit Approach: Proposals will be evaluated on submitted Audit Approach including of proposed staffing plan for various segments of the engagement, adequacy of sampling techniques and adequacy of analytical procedures.
- d. Other: Availability for ongoing consultations during the balance of the year.
- e. Pricing: Scoring is based on a formula with the lowest price submitted that is divided by the price of each prospective vendor times the established point value times the weight factor percentage.

Attachment D

(Use of this form is required when submitting proposal)

Proposal Rate Sheet

Jefferson County RFP for Auditing Services

Vendor information:

Company Name: _____

Contact Person: _____

Address: _____

City, State, Zip: _____

Phone _____ Fax _____ E-mail _____

Total All-Inclusive Maximum Price for 2014: _____

Total All-Inclusive Maximum Price for 2015: _____

Total All-Inclusive Maximum Price for 2016: _____

Total All-Inclusive Maximum Price for optional 2017 year: _____

Total All-Inclusive Maximum Price for optional 2018 year: _____

Breakdown for the audit of the 2014 financial statements

Personnel	Hours	Standard Hourly Rate	Quoted Hourly Rate	Quoted Total
Partners				
Managers				
Supervisory Staff				
Other (specify):				
Subtotal				
Federal Awards and State Financial Assistance Report	N/A	N/A		
Out of pocket expenses	N/A	N/A		
Meals/Lodging	N/A	N/A		
Transportation	N/A	N/A		
Other (specify):				
Total All-inclusive maximum for 2014 audit				

Rates should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

Notes:

The total all-inclusive maximum price to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses. Jefferson County will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost proposal. Such costs should not be included in the proposal. Any applicable costs may include the following:

1. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each
2. The cost of special services should be disclosed as separate components of the total all-inclusive maximum price.
3. Any applicable Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates.
4. Any applicable rates for Additional Professional Services.
5. If it should become necessary for Jefferson County to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between Jefferson County and the firm. Any such additional work agreed to between Jefferson County and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost proposal.
6. Disclose any applicable fees associated with consultation or advice provided during the year on the proper accounting treatment of unusual events.
7. Disclose fees in connection with the sale of debt securities and an approximation of what the charge would be.
8. Disclose any applicable fees associated with telephone calls made during the year regarding financial reporting matters relating to the audit.
9. Disclose any applicable fees associated with telephone calls made during the year regarding operational matters.

Attachment E

(Use of this form is required; please fill out and return with submitted proposal)

Proposal Reference Data Sheet

Jefferson County RFP for Auditing Services

Provide a list of at least three and not greater than five clients' that you are currently providing auditing services of similar scope with at least one from the public sector.

You must verify that contact person listed is accurate and still employed with the company.

Agency: _____
Address: _____
Telephone: _____
Contact Person: _____
Email address: _____

Agency: _____
Address: _____
Telephone: _____
Contact Person: _____
Email address: _____

Agency: _____
Address: _____
Telephone: _____
Contact Person: _____
Email address: _____

Agency: _____
Address: _____
Telephone: _____
Contact Person: _____
Email address: _____

Agency: _____
Address: _____
Telephone: _____
Contact Person: _____
Email address: _____

Attachment F

(Use of this form is required when submitting proposal)

Proposal Designation of Confidential and Proprietary Information

Jefferson County RFP for Auditing Services

The attached material submitted in response to the RFP for auditing services includes proprietary and confidential information which qualifies as a trade secret, as provided in s. 19.36(5) Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this bid/proposal response be treated as confidential material and not be released without our written approval.

Prices always become public information when bids/proposals are opened, and therefore cannot be kept confidential.

Blanket labeling of confidential/proprietary information in headers/footers of documents will not be considered as confidential/proprietary.

Information cannot be kept confidential unless it is a trade secret. Trade secret is defined in s. 134.90(1) (c), Wis Stats. as follows: "Trade secret" means information, including formula, patten, compilation, program, device, method, technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

We request the following pages not be released

Section	Page #	Topic

IN THE EVENT THE DESIGNATION OF CONFIDENTIALITY OF THIS INFORMATION IS CHALLENGED, THE UNDERSIGNED HEREBY AGREES TO PROVIDE LEGAL COUNSEL OR OTHER NECESSARY ASSISTANCE TO DEFEND THE DESIGNATION OF CONFIDENTIALITY AND AGREES TO HOLD JEFFERSON COUNTY HARMLESS FOR ANY COSTS OR DAMAGES ARISING OUT OF THE COUNTY'S AGREEING TO WITHOLD THE MATERIALS.

Failure to include this form in the bid/proposal response may mean that all information provided as part of the bid/proposal response will be open to examination and copying. The County considers other markings of confidential/proprietary in the bid/proposal document to be insufficient. The undersigned agrees to hold the

County harmless for any damages arising out of the release of any materials unless they are specifically identified above.

Company Name:_____

Authorized Representative:_____

Signature

Authorized Representative:_____

Type or Print

Date:_____

Attachment G

(If Addendums exist for this project, please sign and date and send with your proposal)

RFP Addendum Acknowledgement Receipt Schedule

Jefferson County RFP for Auditing Services

The undersigned acknowledges receipt of the following addendum:

Addendum #1 _____ Initials _____

Addendum #2 _____ Initials _____

Addendum #3 _____ Initials _____

Addendum #4 _____ Initials _____

The undersigned agrees with the following statement:

I have examined and carefully prepared the RFB/RFP/RFQ from the plans and specifications and have checked the same in detail before submitting the RFB/RFP/RFQ to Jefferson County.

Name _____

Signature

Date _____

If this RFB/RFP/RFQ is assigned a project number all vendors are responsible to check for addendums, posted on our web site at [http://www.jeffersoncountywi.gov/jc/public/jchome.php?page_id=2232&page_name=Request for Proposals \(RFP\)](http://www.jeffersoncountywi.gov/jc/public/jchome.php?page_id=2232&page_name=Request for Proposals (RFP)) for this project prior to the due date. No notification will be sent when addendums are posted unless there is an addendum within three business days of RFB/RFP/RFQ due date.

All vendors receiving initial notification of project and those who register as downloading the project off our web site will be notified, by Jefferson County, of all addendums issued within 3 business days prior to due date. If RFB/RFP/RFQ has already been submitted, vendor is required to acknowledge receipt of addendum via fax or e-mail prior to due date. New RFB/RFP/RFQ must be submitted by vendor if addendum affects costs.

Vendors that do not have Internet access are responsible for contacting the Finance Department at 920-674-7142 to ensure receipt of addendums issued.

RFBs/RFPs/RFQs that do not acknowledge addendums may be rejected.

All RFBs/RFPs/RFQs submitted will be sealed. Envelopes are to be clearly marked with required information. Sealed RFBs/RFPs/RFQs that are opened by mistake due to inadequate markings on the outside may be rejected and returned to the vendor.

Attachment H

(This attachment is provided for your information only. There is no need to sign or mail it back.)

Proposal Appeals Process

Jefferson County RFP for Auditing Services

To: Vendors

RE: Jefferson County Appeals Process

An appeal refers to a written request from a vendor for reconsideration of vendor selection on a RFB, RFQ or RFP.

Appeals may be submitted for the following purchases:

1. The item is a public work project bid under Section 55.52 (29) and 66.29 of the Wisconsin Statutes, or
2. The item price is \$5,000 or more or the total order is \$10,000 or more, and
3. Vendor selection was based on factual errors, or
4. The lowest price vendor was not selected, or
5. Failure by the County or its agents to adhere to the County's policies and procedures or other legal requirements.

Appeals shall be submitted in writing and should specify the factual error or policy, procedure or other legal requirement which has been violated. Vendor appeals are to be submitted to the County Administrator within 72 hours of receipt of rejection letter. Appeals not containing the necessary information or not filed on a timely basis shall be rejected by the County Administrator.

Submit to: Jefferson County Administration
311 S. Center Ave. Room 111
Jefferson, WI. 53549

Attachment I

(Potential vendors are required to meet the following insurance requirements in order to be awarded a contract. There is no need to sign or mail it back.)

Contract Insurance Requirements

Jefferson County RFP for Auditing Services

Hold Harmless

Vendor hereby agrees to release, indemnify, defend and hold harmless Jefferson County, their officials, officers, employees and agents from and against all judgments, damages, penalties, losses, costs, claims, expenses, suits, demands, debts, actions and/or causes of action of any type or nature whatsoever, including actual and reasonable attorney fees, which may be sustained or to which they may be exposed, directly or indirectly, by reason of personal injury, death, property damage, or other liability, alleged or proven, resulting from or arising out of the performance under this agreement by vendor, its officers, officials, employees, agent or assigns. Jefferson County does not waive, and specifically reserves, its right to assert any and all affirmative defenses and limitations of liability as specifically set forth in Wisconsin Statutes, Chapter 893 and related statutes.

Insurance Requirements

Vendor, Contractor, Tenant, Provider, Organization or other (will be referred as Outside Contractor) shall provide and maintain at its own expense during the term of their agreement, the following insurance policies covering its operations hereunder are minimum requirements. Such insurance shall be provided on a primary basis by insurer(s) financially solvent and authorized to conduct business in the State of Wisconsin.

The Outside Contractor shall not commence work under this contract until all insurance required under this paragraph is obtained and such insurance has been approved by a County representative, nor shall any Outside Contractor allow subcontractors to commence work on their subcontract until all similar insurance requirements have been obtained and approved by a County representative. Notwithstanding any provisions of this section, and for purposes of this agreement, contractor acknowledges that its potential liability is not limited to the amounts of insurance coverage it maintains or to the limits required herein.

- (1) **Worker's Compensation Insurance and Employers Liability.**
State Statutory workers' compensation Limits
Employer Liability, \$500,000 each accident.
- (2) **Comprehensive General Liability (Occurrence Form).**
 - Products and Completed Operations
 - Personal Injury and Advertising Liability
 - Independent Contractors/Protective

Limits of Insurance	\$1,000,000 per occurrence
	\$1,000,000 aggregate
- (3) **Business Automobile Liability.** Business Automobile Liability covering all owned, hired, and non-owned vehicles.

Limits of Insurance	\$1,000,000 per occurrence for bodily injury and property damage.
---------------------	---
- (4) **Excess/Umbrella Liability.**

Limit of Insurance	\$1,000,000 per occurrence
--------------------	----------------------------

Additional Insured

The Outside Contractor agrees that all liability coverage policies other than professional liability shall name Jefferson County as additional insured's with respect to: liability arising out of activities performed by or on

behalf of the vendor/contractor: products and completed operations of vendor/contractor; premises owned, occupied or used by vendor; or automobiles owned, leased, hired or borrowed by vendor. The coverage shall contain no special limitations on the scope of protection to the County.

Adjustments to Insurance Coverage

The limits of liability as set forth herein shall be periodically reviewed and adjustments made so as to provide insurance coverage in keeping with increases in the Consumer Price Index and what is deemed to be prudent and reasonable by the County or its representatives. In the event that the County determines that the limits need to be adjusted at some time after the initial term of the contract, the County shall give notice to the contractor in writing of the new limits and the Contractor shall make such adjustments to its insurance coverage within 60 day of such notice.

Subcontractor

Subcontractors of the Outside Contractor shall also be in compliance with these requirements, including but not limited to, the submittal of a Certificate of Insurance that meet the same requirement outlined for the Outside Contractor.

Waiver of Subrogation

Insurers shall waive all subrogation rights against Jefferson County on all policies required under this requirement.

Cancellation Notice

Jefferson County will be given 30 days' notice in advance of cancellation, non-renewal, or material change in coverage.

Proof of Insurance

A valid Certificate of Insurance shall be issued to "Jefferson County" prior to commencement of work and meeting the requirements listed to avoid any interruption of normal business services and transactions. Certificates must bear the signature of the insurer's authorized representative.

The insurance certificate must be issued by companies licensed to do business in the State of Wisconsin or signed by an agent by the State of Wisconsin.

The certificates of insurance shall include a provision prohibiting cancellation of said policies except upon 30 days prior written notice to the County.

The certificates of insurance shall include reference to the **contract name or RFP number** in the description section of the certificate and listing **Jefferson County** as the additional insured.

The certificate of insurance will be delivered to Jefferson County prior to the execution of the contract.

Jefferson County
Finance Department
311 S Center Ave-Room 109
Jefferson, WI 53549

Special considerations will be given if the required amounts cannot be met. This will only take place after an insurance waiver form is completed.

**** Jefferson County shall be named as an additional insured with respects to liability coverage's other than professional liability and will be given 30 days' notice in advance of cancellation, non-renewal, or material change in coverage. A certificate of insurance evidencing such coverage's shall be placed on file with the County prior to commencement of work under this contract. ****

Attachment J

(This document is provided as a template to potential vendors as a requirement that this document is to be used to contract with the awarded vendor. There is no need to sign or mail it back at this time.)

JEFFERSON COUNTY PROFESSIONAL SERVICES STANDARD CONTRACT TEMPLATE

Purchase/Service Description: Auditing Services

Time of Performance: 2014 thru 2016 with the option of two (2) additional one (1) year renewals

Total Amount of Contract: Not to exceed \$

Performance, schedules and invoices will be approved by: Jefferson County Finance Director, 320 S Main Street, Room 109, Jefferson, WI 53549

This Jefferson County Professional Services Standard Contract ("Contract") is made and entered into on this ____ day of _____, 20__ by and between _____ (the "CONTRACTOR"), and Jefferson County, a body corporate organized under the Laws of Wisconsin (the "COUNTY") (Collectively referred to as the "parties" or in the singular as the "party").

WITNESSETH:

WHEREAS, the COUNTY, a governmental entity organized and existing as a body corporate pursuant to Wis. Stat. § 59.01, is in the business of providing certain governmental services to the COUNTY and its citizens;

WHEREAS, the CONTRACTOR, is in the business of providing said services and has made express and implied representations to the COUNTY of being capable, experienced and qualified to undertake and personally perform those services as are required in fulfilling all obligations under the terms and conditions of this Contract; and

WHEREAS, relying upon the CONTRACTOR'S above-referenced express and implied representations, the COUNTY now desires to engage and the CONTRACTOR now desires to be engaged as an independent contractor and not as an employee of the COUNTY to perform said services, all in accordance with the terms and conditions of this Contract.

Work shall commence in accordance with the terms and conditions of this Contract after the CONTRACTOR has executed the Contract, and either: (a) has been notified in writing to commence the Performance of Services; or (b) has received from the COUNTY an original of the Contract that is complete and fully executed.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the COUNTY and the CONTRACTOR agree as follows:

1. REQUIREMENTS:

The CONTRACTOR hereby agrees to be retained by the COUNTY and the COUNTY hereby agrees to retain the CONTRACTOR to perform the services in accordance with the terms and conditions of this Contract, which includes, but is not limited to:

- A. that the CONTRACTOR is required to do, perform, and carry out in a satisfactory, timely, and proper manner the services delineated in this Contract;

- B. that the CONTRACTOR is required to comply with requirements listed with respect to reporting on progress of the services, additional approvals required, and other matters relating to the performance of the services under this Contract; and
- C. that the CONTRACTOR is required to comply with time schedules and payment terms.

The CONTRACTOR and its subcontractors, to the same extent as the CONTRACTOR, agree to fulfill all obligations described in the COUNTY'S _____ (hereinafter referred to as the "Project"), as well as the addenda attached thereto, copies of both which are attached hereto and incorporated herein by reference.

The total amount of the Contract includes all services, deliverables, and reimbursable expenses. Additional reimbursable fees will not be accepted.

- 2. **SPECIFIC CONDITIONS OF PAYMENT:** Payment to be due and owed following completion and acceptance of the Project by the COUNTY. Payment will be made within thirty (30) days after receipt of a properly documented invoice, the manner of which is more fully set forth below under "Payment Schedule", but only if completion is deemed satisfactory by the COUNTY.

Payment Schedule

Net 30 days from receipt of a properly completed invoice to be mailed or emailed directly to:

Mail Address: Jefferson County Finance Director, 311 S Center Ave., Room 109, Jefferson, WI 53549

Email Address: brianl@jeffersoncountywi.gov

3. REPORTS:

- A. The CONTRACTOR agrees to timely submit reports as may be required by the COUNTY in its sole discretion.
- B. All reports, studies, analyses, memoranda and related data and material developed during the performance of this Contract shall be submitted to and be the exclusive property of the COUNTY and the COUNTY shall have the right to use them for any purpose without any further compensation to the CONTRACTOR. All of the documents and materials prepared or assembled by the CONTRACTOR under this Contract will not be made available to any individual, agency, public body or organization other than the COUNTY unless legally required otherwise, at which point the CONTRACTOR is obligated to notify the COUNTY of the same in advance thereof.
- C. The documents and materials prepared in whole or in part under this Contract shall not be made the subject of any report, book, writing or oral dissertation by the CONTRACTOR. If this Contract is terminated, all finished or unfinished documents or materials prepared under this Contract shall be immediately transmitted to the COUNTY upon termination.

4. TIME OF PERFORMANCE:

The services to be performed under this Contract are to be undertaken and completed in such sequence as to assure expeditious completion in light of the purpose of this Contract, but in any event all of the services required hereunder shall be completed as indicated on the top of Page 1 of this Contract under "Time of Performance," which is the termination date of this Contract. In addition to all other remedies available to the COUNTY, should the Contract not be completed by the date specified herein, the CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR'S responsibility to complete the services and to execute any amendments to this Contract as deemed necessary by the COUNTY.

5. CONDITIONS OF PERFORMANCE AND COMPENSATION:

- A. **Performance** - The CONTRACTOR agrees that its work shall conform to such recognized high professional standards as are prevalent in this field of endeavor and like services.

- B. **Place of Performance** – The COUNTY shall determine the place or places where services shall be provided by the CONTRACTOR.
- C. **Compensation** - The COUNTY agrees to pay, subject to the contingencies herein, and the CONTRACTOR agrees to accept for the satisfactory performance of the services under this Contract, the maximum as indicated on the top of Page 1 of this Contract under “Total Amount of Contract,” inclusive of all expenses. In no event will the total compensation exceed the maximum amount indicated on the top of Page 1 of this Contract. Compensation for services provided under this Contract is contingent upon the approval process set forth in Section 3 of this Contract under “Specific Conditions of Payment.” Section 66.0135, Wis. Stats., will apply to any late payments by the COUNTY, except as provided for by Section 22 of this Contract.
- D. **Taxes, Social Security and Government Reporting** - Personal income tax payments, social security contributions and all other governmental reporting and contributions as a consequence of the CONTRACTOR receiving payment under this Contract shall be the sole responsibility of the CONTRACTOR.
- E. **Subcontracting** - The CONTRACTOR shall not subcontract for the performance of any of the services set forth herein without prior written approval obtained from the COUNTY. If any work or service is subcontracted, it shall be specified by written contract or agreement and shall be subject to each provision of this Contract. The CONTRACTOR shall be as fully responsible to the COUNTY for the acts and omissions of his subcontractors and/or persons either directly or indirectly employed by him, as he is for the acts and omissions of persons directly employed by him.

6. INDEMNIFICATION AND DEFENSE OF SUITS:

The CONTRACTOR agrees to release, indemnify, defend, and hold harmless the COUNTY, its officials, officers, employees, and agents from and against all judgments, damages, penalties, losses, costs, claims, expenses, suits, demands, debts, actions and/or causes of action of any type or nature whatsoever, including actual and reasonable attorney fees, which may be sustained or to which they may be exposed, directly or indirectly, by reason of personal injury, death, property damage, or other liability, alleged or proven, resulting from or arising out of the performance under this agreement by CONTRACTOR, its officers, officials, employees, agents or assigns. The COUNTY does not waive, and specifically reserves, its right to assert any and all affirmative defenses and limitations of liability as specifically set forth in Wisconsin Statutes, Chapter 893 and related statutes.

7. REGULATIONS:

CONTRACTOR agrees to comply with all of the requirements of all federal, state and local laws related thereto.

8. SAFETY REQUIREMENTS:

All material, equipment and supplies provided to the COUNTY must comply with all safety requirements as set forth by, among other provisions, the Wisconsin Administration Code, Rules of the Industrial Commission on Safety and all applicable OSHA standards.

9. VENUE AND APPLICABLE LAW:

Any lawsuits related to or arising out of disputes under this Contract shall be commenced and tried in the Circuit Court of Jefferson County, Wisconsin and the COUNTY and CONTRACTOR shall submit to the jurisdiction of the Circuit Court for such lawsuits. This Contract and any disputes arising under it shall be governed by the laws of the State of Wisconsin.

10. TERMINATION OF CONTRACT FOR CAUSE:

If through any cause, the CONTRACTOR shall fail to fulfill in a timely and proper manner its obligations under this Contract, or if the CONTRACTOR violates the covenants, agreements or stipulations of this Contract, the COUNTY shall have the right to terminate this Contract by giving written notice, as provided for in Section 25 of this Contract, to the CONTRACTOR of such termination. The written notice shall be provided to the CONTRACTOR at least five (5) days before the effective date of such termination. The COUNTY, in its sole discretion, may allow the CONTRACTOR a reasonable amount of time to cure a breach of the terms of this Contract, if the COUNTY determines that the breach is

amenable to a cure. The COUNTY shall not unreasonably withhold such permission. The COUNTY'S decision to allow the CONTRACTOR a reasonable amount of time to cure said breach in one instance does not constitute a waiver of a subsequent breach of the same or any other term of this Contract, nor shall it be deemed to waive the need for further consent or approval from the COUNTY to cure any subsequent breaches, regardless of their nature.

In the event that this Contract is terminated for any reason by either party, all finished and unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports or other materials related to the services prepared by the CONTRACTOR under this Contract shall, at the option of the COUNTY, become the property of the COUNTY.

Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the COUNTY for damages sustained by the COUNTY by virtue of any breach of this Contract by the CONTRACTOR, and the COUNTY may withhold any payments due the CONTRACTOR for the purpose of set off until such time as the exact amount of damages due to the COUNTY from the CONTRACTOR is determined and recovered.

11. CHANGES:

All changes that are mutually agreed upon by and between the COUNTY and the CONTRACTOR, including any increase or decrease in the amount of the CONTRACTOR'S compensation, shall be in writing and designated as written amendments to be attached to this Contract.

12. WAIVER:

One or more waivers by any party of any term of this Contract will not be construed as a waiver of a subsequent breach of the same or any other term hereof. The consent or approval given by any party with respect to any act by the other party requiring such consent or approval shall not be deemed to waive the need for further consent or approval of any subsequent act by such party.

13. PERSONNEL:

- A. The CONTRACTOR represents that it has or will secure, at its own expense, all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the COUNTY.
- B. All of the services required hereunder will be performed by the CONTRACTOR or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

14. ASSIGNMENT:

The CONTRACTOR shall not assign or transfer this Contract and shall not transfer any interest in it without the prior written consent of the COUNTY. Claims for money due or to become due to the CONTRACTOR from the COUNTY under this Contract may be assigned to a bank, trust company or other financial institution without COUNTY approval; however, notices, as provided for in Section 25 of this Contract, of any such assignment or transfer shall be furnished promptly to the COUNTY.

15. RECORDS:

- A. **Establishment and Maintenance of Records** - Records shall be maintained by the CONTRACTOR with respect to all matters covered by this Contract. The records shall be maintained for a period of three (3) years after receipt of final payment under this Contract, except as otherwise authorized by Jefferson County Corporation Counsel.
- B. **Documentation of Cost** - All costs of the CONTRACTOR shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Contract and shall be clearly identified and readily accessible.

16. AUDITS AND INSPECTIONS:

In the event that the COUNTY deems it necessary to conduct an audit or inspection, the CONTRACTOR shall, during normal business hours, furnish or make available at a time designated by

the COUNTY and in the form required by the COUNTY, information, records and reports regarding powers, duties, activities, organization, property, financial transactions, method of operation, or any and all other records, reports or information in the CONTRACTOR'S custody or control as deemed pertinent by the COUNTY to this Contract.

The CONTRACTOR shall provide to the COUNTY'S inspectors or auditors access to all property, equipment and facilities in the CONTRACTOR'S custody or control as the inspectors or auditors deem related to the services provided or purchased under this Contract. The CONTRACTOR shall be expected to provide, at the CONTRACTOR'S expense, reasonable time by the CONTRACTOR'S personnel as may be required for the COUNTY'S inspectors or auditors to perform the inspection or audit.

Any information provided to the COUNTY'S inspectors or auditors which is deemed confidential by federal, state or local laws shall be held as confidential and not disclosed to the public unless legally required otherwise.

17. NON-DISCLOSURE:

For the purposes of this Contract, the parties agree to the following definitions.

Discloser: The term "Discloser" shall refer to the party or parties in a position to disclose to the other certain Sensitive and/or Confidential Information which is or must remain the property of the disclosing party.

Recipient: The term "Recipient" shall refer to the party or parties in a position to receive certain Sensitive and/or Confidential Information from the disclosing party that is not to be disclosed or used in violation hereof.

Sensitive and/or Confidential Information: The term "Confidential Information" as used herein means: (1) any Trade Secret of Discloser as defined in the Uniform Trade Secrets Act, Sec. 134.90, Wis. Stats. or any other applicable state or federal trade secrets law; and (2) any non-public information, documentation, and/or devices disclosed or made available by Discloser to Recipient in any form including, but not limited to, all data or know-how either created by Discloser or for Discloser, any information conveyed to Discloser by a third party to which Discloser is bound by a confidentiality agreement not to disclose, the whole or any portion of any technical, scientific, laboratory, experimental or research data, research and development information, information concerning equipment, designs, processes, procedures, formulae, recipes, improvements, customer lists, records, or engineering drawings, documentation and information about products, sales information, formulae, recipes, manufacturing techniques, processes, design of software or hardware, applications or systems, used or developed by Discloser, source codes, other information relating to computer programming, and any information used for the conduct of Discloser's business including, but not limited to, plans, programs, marketing, advertising, sales strategies, policies, costs, pricing, and other financial information.

Sensitive and/or Confidential Information shall also include but shall not be limited to:

- Confidential Information (business or personal) including copyrighted, trademarked or patented information;
- Electronic protected health information (ePHI) protected by Federal HIPAA legislation;
- Intellectual Property (IP);
- Credit card data regulated by the Payment Card Industry (PCI);
- Personal Identity Information (PII);
- Information relating to an ongoing criminal investigation;
- Court-ordered settlement agreements requiring non-disclosure;
- Information specifically identified by this Contract as restricted;
- Other information for which the degree of adverse effect that may result from unauthorized access or disclosure is high;

Whether in writing or not, which the Discloser discloses to Recipient, including, but not limited to, any information relating to the policies, procedures and administration of the Discloser, its affiliates' or customers' ongoing operations, and personnel. It is the intention of the parties in defining Sensitive and/or Confidential Information that any and all information which in any way relates to Discloser's

operations, no matter what the nature thereof, which was disclosed by Discloser or which is developed by either party as part of their services in carrying out the Contract performance reference herein shall be and remain confidential pursuant to this Contract. This includes but is not limited to:

- Applications for services
- Account numbers or balances
- Payment histories
- Identity of customers
- Social Security numbers
- Credit reports or histories
- Any other financial information regarding Jefferson County or its customers
- The terms of this Contract
- HIPAA-related information

Sensitive and/or Confidential Information for purposes of this Contract does not include information that:

- Can be demonstrated to have been published or was otherwise in the public domain before disclosure by Discloser to Recipient;
- Can be demonstrated that, after its disclosure by Discloser to Recipient, is published, or otherwise comes into the public domain through no act or omission by Recipient, by a third party who has a legal right to do so;
- Recipient receives or has received from a third party who as a legal right to disclose it;
- Recipient has in written or physical embodiment form prior to disclosure by Discloser;
- Is independently developed by Recipient without reference to or reliance on Discloser's Sensitive and/or Confidential Information as evidenced by credible written evidence; and
- Becomes subject to the open records mandates of both federal and state law, including but not limited to, Wis. Stats. §§ 19.31 – 19.37.

A. **Acknowledgment of Confidential Relationship** – The County is required to ensure the confidentiality of any Sensitive and/or Confidential Information that the CONTRACTOR may have access to or become privy to under the state and federal laws including, but not limited to, HIPAA and the Wisconsin Privacy of Consumer Financial and Health Information, Wis. Admin. Code Ch. INS 25. The CONTRACTOR hereby acknowledges and agrees that any Sensitive and/or Confidential Information disclosed to it by the COUNTY is for the limited purpose of providing services and the CONTRACTOR will maintain the Confidential Information in confidence, and a confidential relationship will arise between the CONTRACTOR and the COUNTY by reason of such submission and/or disclosure. The CONTRACTOR further acknowledges and agrees that the Sensitive and/or Confidential Information of the COUNTY is proprietary to the COUNTY and that any unauthorized disclosure or unauthorized use as more fully set forth herein will cause harm and/or loss to the COUNTY.

B. **Use and Disclosure of Sensitive and/or Confidential Information.** The CONTRACTOR agrees neither to copy, sell, transfer, publish, disclose, display or otherwise use for its own benefit, nor to disclose to third parties, any Sensitive and/or Confidential Information whether from observation, from any materials submitted or from disclosures by the COUNTY hereunder. The CONTRACTOR further agrees neither to make nor retain any copies of nor directly or indirectly use any process or other proprietary information disclosed to it or any process deceptively similar thereto without the COUNTY'S prior written approval, which the COUNTY may withhold in its sole discretion. In no event shall either party use Sensitive and/or Confidential Information in a way, which violates local, state or federal laws. The duty to protect Sensitive and/or Confidential Information shall survive the termination of this Contract and shall be subject to the open records provisions of both state and federal law.

The CONTRACTOR shall instruct its employees, agents and contractors of their obligations under this Contract and instruct them to use the same care and discretion with respect to the Sensitive and/or Confidential Information as the CONTRACTOR is obligated to use and to not circumvent any security procedures or devices with respect to Sensitive and/or Confidential Information.

- C. **Title remains with the COUNTY.** All innovations, inventions, devices, processes and/or formulas developed by the CONTRACTOR for the COUNTY shall be deemed to be the sole property of the COUNTY. The CONTRACTOR agrees to disclose in writing to the COUNTY any and all formulas, ingredient specifications and descriptions, processing methods, items, ideas or concepts which are directly related to work performed by the CONTRACTOR on behalf of the COUNTY which constitute innovations or inventions developed by the CONTRACTOR either solely or jointly in connection with work performed by the CONTRACTOR at the request of or under any assignment by the COUNTY. The CONTRACTOR also agrees to assign to the COUNTY any and all interest it may have in such inventions or innovations.
- D. **Indemnification by the CONTRACTOR.** The CONTRACTOR agrees to take precautions to avoid wrongful disclosures or use of Confidential Information and will indemnify the COUNTY and hold the COUNTY harmless from all losses; expenses, including reasonable attorney's fees; or liability arising from or in connection with such unauthorized use or disclosure. In addition, the CONTRACTOR acknowledges that in the event of a breach or threatened breach of this Contract, irreparable damage will immediately occur to the COUNTY and the CONTRACTOR will indemnify the COUNTY from all losses, liabilities, and expenses, including reasonable attorney's fees, incurred by the COUNTY as a result thereof.
- E. **Duty of Inquire.** If either party has a question concerning whether information qualifies as Sensitive and/or Confidential Information under this Contract, each shall have a duty to inquire whether the information is deemed sensitive and/or confidential before taking any action contrary to this Contract.

For COUNTY inquire to:
Corporation Counsel
(920) 674-7136

For CONTRACTOR inquire to:

- F. **Duty to Safeguard.** Each party shall take all reasonable steps to safeguard any and all Sensitive and/or Confidential Information in their possession. Each party shall ensure, to the extent possible, that access to Sensitive and/or Confidential Information is restricted only to properly authorized employees, agents, officers and/or subcontractors and shall take measures to protect the security of any documentation or computer containing Sensitive and/or Confidential Information.

18. CONFLICT OF INTEREST:

- A. **Interest in Contract** - No officer, employee or agent of the COUNTY who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which this Contract pertains, shall have any personal interest, direct or indirect in this Contract.
- B. **Interest of Other Local Public Officials** - No member of the governing body of the locality, who exercises any functions or responsibilities in the review or approval of the carrying out of this Contract, shall have any personal interest, direct or indirect, in this Contract.
- C. **Interest of Contractor and Employees** - If the CONTRACTOR is aware or becomes aware that any person described in Sections 20, A. and B. of this Contract has any personal financial interest, direct or indirect, in this Contract, the CONTRACTOR shall immediately disclose such knowledge to the COUNTY. The CONTRACTOR further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The CONTRACTOR further covenants that in the performance of this Contract no person having any conflicting interest shall be employed or subcontracted.

19. DISCRIMINATION PROHIBITED:

A. The CONTRACTOR shall not discriminate against any individual on the basis of age, race, creed, color, disability, marital status, sex, national origin, ancestry, membership in the National Guard, state defense force or any reserve component of the military forces of the United States or this state. The CONTRACTOR may refuse to employ individuals based on conviction and arrest records only as allowed by Sec. 111.335, Wis. Stats.

B. The CONTRACTOR will cause the foregoing provisions to be inserted into all subcontracts, if any, for any work covered by this Contract so that such provision will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

20. INSURANCE:

A. The CONTRACTOR shall be solely responsible to meet the CONTRACTOR'S insurance needs as required by the COUNTY during the terms of this Contract or any extension thereof.

B. The Certificate(s) of Insurance shall be issued by a company or companies authorized to do business in the State of Wisconsin and satisfactory to the COUNTY. Such insurance should be primary. The CONTRACTOR shall furnish the COUNTY with a certificate of insurance and upon request, certified copies of the required insurance policies. The certificate(s) shall reference the Contract and name Jefferson County, its boards, commissions, agencies, officers, employees and representatives as additional insureds and provide for thirty (30) days advance notice, as provided for in Section 25 of this Contract, of any change, cancellation or non-renewal during the term of this Contract.

C. The CONTRACTOR shall not allow subcontractors, if any, to commence work until the aforementioned documents, where applicable, have been obtained from the subcontractor(s) and approved by the COUNTY.

D. No payments or disbursements under this Contract shall be made if such proof has not been furnished to the COUNTY. Failure to submit an insurance certificate, as required, can make this Contract void at the COUNTY'S discretion.

21. FORCE MAJEURE:

A. If the performance of any part of this Contract by the CONTRACTOR is delayed or rendered impossible by reason of natural disaster, flood, fire, riot, explosion, war or actions or decrees of governmental bodies, the CONTRACTOR shall immediately give notice, as provided for in Section 25 of this Contract, to the COUNTY of the nature of such conditions and the extent of delay and shall do everything possible to resume performance. If the period of nonperformance exceeds twenty-one (21) days from the receipt of said notice of the Force Majeure Event, the COUNTY may, by giving written notice as provided for in Section 25 of this Contract, terminate this Contract.

B. If the ability of the COUNTY to compensate the CONTRACTOR is delayed by reason of natural disaster, flood, fire, riot, explosion, war or actions or decrees of governmental bodies, the COUNTY shall immediately give notice, as provided for in Section 25 of this Contract, to the CONTRACTOR of the nature of such conditions and the expected date that compensation will be made. Section 66.0135, Wis. Stats., shall not apply to any late payment by the COUNTY due to circumstances under this Subsection B.

22. OTHER PROVISIONS:

A. **Publicity Releases** – The CONTRACTOR agrees not to refer to award of this Contract in commercial advertising in such a manner that states or implies that the products or services provided are endorsed or preferred by the COUNTY.

B. **Appropriation of Funds** – This Contract is contingent upon annual authorization of funding by the COUNTY governing body. In the event funding is not approved or is terminated, the COUNTY may terminate this Contract by providing forty-five (45) days written notice to the CONTRACTOR.

C. **Severability** -- In the event that any of the provisions of this Contract are deemed invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provisions were not contained herein.

D. **Independent Contractor Status** - This Contract does not in any way create the relationship of joint venture, partnership, principal, or employer/employee between the CONTRACTOR and the COUNTY, their agents, employees, subcontractors, officers and/or representatives. The CONTRACTOR, its employees, agents, subcontractors, and/or representatives shall not act or attempt to act, or represent itself, directly or by implication, as an agent for the COUNTY or in any manner assume any obligation on behalf of or in the name of the COUNTY.

23. NOTICES:

Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Service as "Certified Mail, Return Receipt Requested", addressed to the CONTRACTOR at:

And to the COUNTY at: Jefferson County Finance
311 S Center Ave-Room 109
Jefferson, WI 53549

All other correspondence shall be addressed as above, but may be sent by "Regular Mail" and deemed delivered upon receipt by the addressee.

JEFFERSON COUNTY FINANCE

Brian Lamers, CPA, Finance Director

Signature: _____

Date: _____

**JEFFERSON COUNTY CORPORATION
COUNSEL**

Blair Ward, Corporation Counsel

Signature: _____

Date: _____

JEFFERSON COUNTY ADMINISTRATION

Benjamin Wehmeier, County Administrator

Signature: _____

Date: _____

PROVIDER (To be signed by the person
authorized to legally bind your firm to this Contract.)

Firm: **Vendor Name & Address**

Address: _____

City/State: _____

Zip Code: _____

Printed Name: _____

Signed Name: _____
(Required)

Title: _____

Date: _____

Distribution:

Original – Purchasing

Copy – Provider(s)

Copy – Responsible Department(s)

Attachment K

(This attachment is provided for your information only. There is no need to sign or mail it back.)

**2012 AUDIT FINDINGS
MANAGEMENT COMMENTS AND OBSERVATIONS**

Jefferson County RFP for Auditing Services

GENERAL COUNTY

None Reported

Attachment L

(This attachment is provided for your information only. There is no need to sign or mail it back.)

Federal Awards and State Financial Assistance Report

Jefferson County RFP for Auditing Services

Finding No 2012-01-Significant Deficiency in Internal Control

Community Development Block Grant Program (CFDA #14.228)

Medical Assistance Program (CFDA #93.778)

Requirement

OMB A-133 requires the grantee to test whether the non-Federal entities performed a verification check for covered transactions, by checking the EPLS, collecting a certification from the entity, or adding a clause or condition to the covered transaction with the entity.

Condition

The County did not perform a documented search of the EPLS Listing, collect a certification from the entity or add a clause to the contract agreement.

Context

We tested 4 vendors to determine if Jefferson County performed an EPLS search, collected a certification, or added a clause or condition to the contract agreement with the vendor prior to contracting with them. Of the 4 vendors tested, we determined that 3 of the vendors were not verified in one of these ways for being suspended or debarred.

Questioned Costs

None. We performed an EPLS search and determined that none of the vendors tested were suspended or debarred.

Cause

The County was unaware of the documentation requirement of A-133 with respect to suspension and debarment.

Effect

The County may enter into financial transactions with entities that are suspended or debarred from providing services for Federal funding.

Recommendation

We recommend that the County perform a documented search of the EPLS Listing, with respect to the compliance procedures as outlined by OMB A-133, for the vendor upon procurement of the services.

Management's Response

Management agrees with the recommendation and will implement steps to ensure compliance on a continuing basis.